

U.S. Commercial Service Dominican Republic



NAFTA TO CAFTA-DR INITIATIVE



Presented by: Sheila Diaz de Andujar – Commercial Advisor

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DOMINICAN REPUBLIC



Market Size

Population	9 million
Bilateral Trade US/DR	\$9.3 billion
Total Imports	\$7.9 billion
Imports from US	\$4.7 billion
US Imports Market Share	59%

➤ DR is the **7th largest** market in the entire Western Hemisphere for US exports, after Canada, Mexico, Brazil, Venezuela, Colombia and Chile. *The DR is also the largest market of the CAFTA-DR countries.*

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Economic and Commercial Overview

- DR economy is recovering, GDP increased by 9 percent in 2005.
- Sectors that are contributing the most to GDP are Telecommunications, Construction, Tourism, Transportation and manufacturing.
- In 2005, U.S. products held an approximately 59% market share in the Dominican Republic. However, 70 % of consumer goods imported into the Dominican Republic are from the United States.

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Manufacturing Sector at a glance

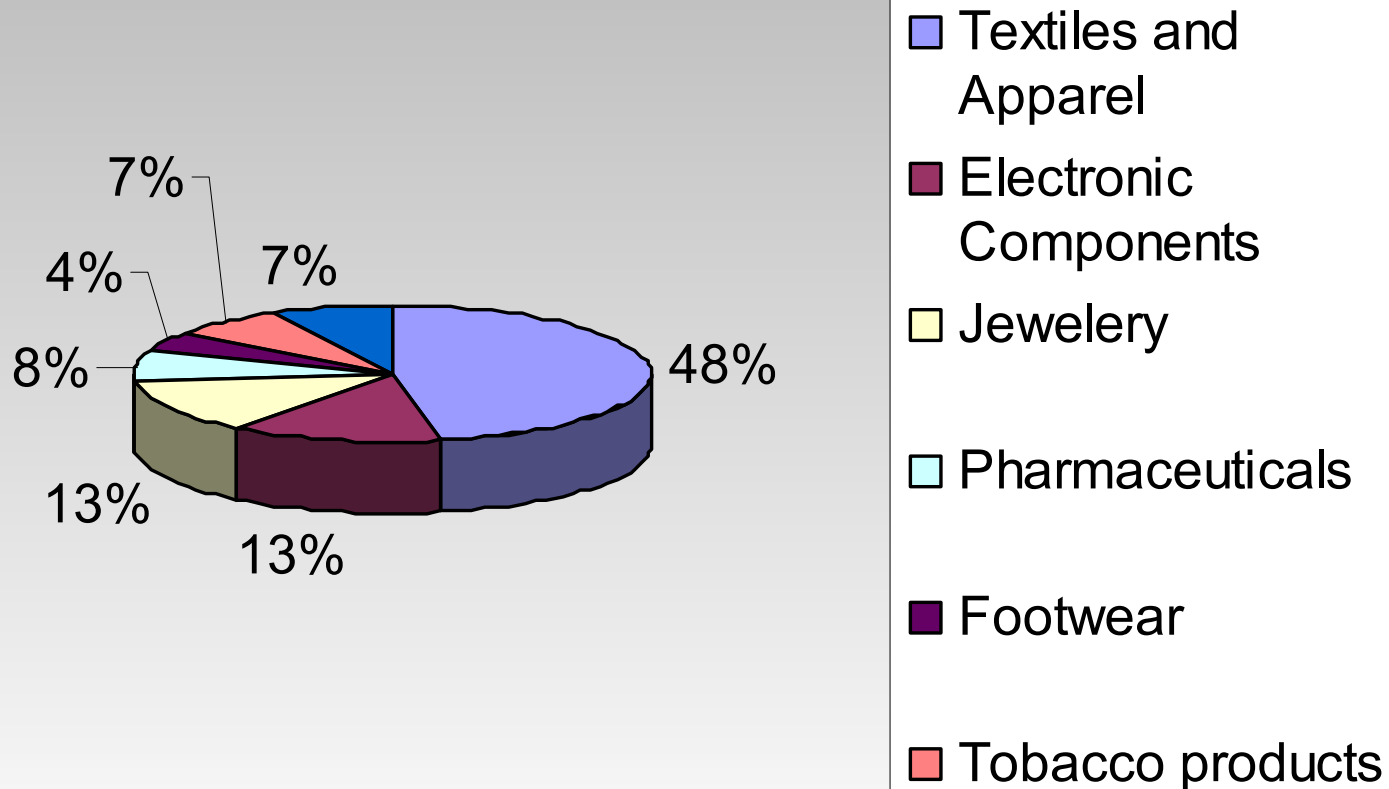
- The manufacturing sector experienced 5.4% growth in year 2005.
- The sector represents 15% of GDP.
- Generates 477,000 direct jobs (including Free Trade Zones)
- Sub-sectors included:
Textiles and apparel, Food processing, Beverages, Tobacco Products, Footwear, Chemicals, Plastic, Medical Equipment and supplies, Sugar and Wheat mills, and furniture.



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Manufacturing Sector

Sub- Sectors distribution per industrial activity





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CAFTA-DR: Key Export Opportunities

➤ **The CAFTA-DR was ratified by the Dominican Congress on September 6, 2005. The US and Dominican Governments are working together to implement as soon as possible.**

➤ **Key U.S. export sectors which will benefit from immediate duty elimination include:**

- **Construction Equipment and Building Supplies:** Currently the US enjoys 35% market share. Current tariffs can run up to 30 %. 99% of construction equipment will enter duty free immediately and 55% of building supplies versus a 20%-30%. (Machine tools, welding equipment)

- **Automotive Parts and Services Equipment:** US products enjoy a 70 % market share. Current tariffs can run up to 30%. Under the CAFTA-DR, 90% of items will be duty-free immediately. Best prospects include: AC and Refrigeration, parts, accessories, service equipment, remanufactured parts. Tariffs on U.S. autos will be phased out within 5 years of implementation.



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CAFTA-DR: Key Export Opportunities

- **Information Technology Products:** US products enjoy a 65% market share. Current tariffs can run up to 20%. 100% of items will enter duty free immediately. Significant export opportunities include: computers and peripherals, circuit switching equipment, cables, routers, cellular service equipment. (CAD/CAM and software)
- **Medical Equipment:** The Dominican market for Medical Equipment is 100 % dependent on imports, and US products enjoy a positive reputation, with a 60% market share. Current tariffs can run up to 14%. Under the CAFTA-DR, 98% of items will be duty-free immediately.
- **Air Conditioning and Refrigeration Equipment:** US products enjoy a 40% market share in this sector. Current tariffs can run up to 20%. Under CAFTA-DR, 50% of ACR products will enter the DR duty-free. The US is the principal supplier of ACR to the DR.



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CAFTA-DR: Key Export Opportunities

- **Printing and Graphics Arts Equipment and Supplies:** US products enjoy a 75 % market share in this sector. US products enjoy a 65% market share. Current tariffs can run up to 20%. Under the CAFTA - D.R. 100% of items will be duty-free immediately. Best prospects include: paper (cellulose) and paperboard, flexography equipment, parts for printing machinery, consumable supplies, gravure printing machinery, offset printing machinery and pre-press equipment.
- **Electric Power Generation and Distribution Equipment:** The US enjoys 70% market share in this sector. Current tariffs run up to 20%. 96% of products will enter duty free immediately under the FTA. Best prospects include: meters, regulators, boxes, switches, converters, pumps.

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Services for U.S. Exporters



1. COUNSELING AND ADVOCACY

2. MARKET RESEARCH

- Industry Sector Reports
- International Trade Leads
- Flexible Market Research

3. FINDING INTERNATIONAL PARTNERS

- International Company Profile
- International Partner Search
- Gold and Platinum Key Services

4. TRADE EVENTS

- Catalog Shows
- International Buyer Program
- Trade Missions



WEB SITE:

www.BuyUSA.gov/caribbean



Dominican Republic
Sheila Andujar

Tel: (809) 227-2121 - Fax: (809) 920-0267
sheila.andujar@mail.doc.gov